GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

STARRED QUESTION NO:365
ANSWERED ON:12.12.2016
DBTL Scheme
Maadam Smt. Poonamben Hematbhai

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the mechanism/guidelines prescribed for the Direct Benefit Transfer Scheme (DBTL)/PAHAL for LPG consumers along with the aims and objectives of the scheme;
(b) the extent to which the scheme has been successful in achieving its aims and objectives;
(c) whether the DBTL subsidy scheme has been helpful/successful in curbing fraudulent LPG distribution system; and
(d) if so, the details thereof along with the number of fraudulent connections identified and cancelled and the quantum of subsidy saved as a result thereof, State/ UT-wise?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DHARMENDRA PRADHAN)
(a) to (d) A statement is laid on the Table of the House.
STATEMENT REFERRED TO IN REPLY TO PARTS (a) to (d) OF THE LOK SABHA STARRED QUESTION NO. 365 BY SHRIMATI POONAMBEN MAADAM TO BE ANSWERED ON 12TH DECEMBER 2016 REGARDING "DBTL SCHEME ".
(a) LPG consumers, who join the PAHAL scheme, get the LPG cylinders at non-subsidised price and receive LPG subsidy (as per their entitlement) directly into their registered bank accounts. LPG consumers are required to become Cash Transfer Compliant (CTC) after seeding their bank accounts and Aadhaar number to receive LPG subsidy in their registered bank account under PAHAL Scheme. The main objectives of the Scheme are to eliminate supply chain leakages and unauthorised usage by curbing multiple connections by way of Aadhaar based de-duplication.
(b) to (d) An intensive exercise was carried out for identifying duplicate/fake/ghost/inactive domestic LPG connections and, as of 01.04.2015, 3.34 crore such connections were identified by the Oil Marketing Companies (OMCs). As a result of implementation of DBTL (PAHAL) mechanism, it became possible to block these 3.34 crore LPG connections as the subsidy was transferred in the accounts of only those consumers who had registered under PAHAL and who have been cleared after de-duplication exercise. Before DBTL, all or many of these 3.34 crore consumers would have continued to purchase subsidized cylinders from the distributors. But for the blocking of these accounts, the subsidy bill would have been much higher despite fall in crude oil prices. Estimated savings from the above efforts are calculated as follows :-
For the financial year (FY) 2014-15, for 3.34 crore consumers outside the PAHAL net, the estimated savings would be 3.34 crore x 12 cylinders x Rs. 369.72 (average subsidy/cylinder for FY 2014-15) equal to Rs. 14,818.4 crore. Following a similar principle, the savings estimated for FY 2015-16 is Rs. 6443 crore and the total for both the years works out to Rs. 21,261 crores.

Financial Year	Average Subsidy per Cylinder (for that year)	Calculations	Estimated Savings (in crores of rupees)
2014-15	Rs. 369.72	3.34 x 369.72 x 12	14,818.4
2015-16	Rs. 150.82	3.56 x 150.82 x 12	6,443
TOTAL			21,261.4

The total consumption of cooking gas in any given year is a combination of the number of connections at the beginning of the year, bogus connections eliminated during the year through the process of DBT under PAHAL, new connections issued to genuine consumers during the year and normal fluctuations in individual consumption. Hence, the saving from implementation of DBT cannot be correctly computed merely by reference to the total consumption in a year or the total expenditure on subsidy. If the DBT had not been implemented, the outgo on the subsidy would have been higher by Rs. 14,818 crore in 2014-15 and Rs. 6,443 crore in 2015-16. Hence, the total savings from the elimination of fake/duplicate/ghost connection as a result of implementation of DBT for the two years together, as calculated above, is estimated at more than Rs. 21,000 crore. This figure is not comparable with the actual expenditure on subsidy which includes the subsidy on new

genuine connections given during these two years. Without implementation of PAHAL, subsidy burden would have been higher than the actual expenditure recorded during these years, even with lower petroleum prices.

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